## A PROPOSED SYNOPSIS ON

# A COMPARATIVE STUDY ON REAL ESTATE SECTOR BEFORE AND AFTER RERA PERIOD

## (In context to Thane District)

**SUBMITTED TO THE**

## SWAMI RAMANAND TEERTH MARATHWADA UNIVERSITY, NANDED

FOR THE REGISTRATION DEGREE OF
**DOCTOR OF PHILOSOPHY IN COMMERCE** UNDER THE FACULTY OF

**COMMERCE**

SUBMITTED BY
**SUJATA JIGNESH GADA**
(M.Com. MBA, PGDFM, SET)

UNDER THE GUIDANCE OF
**Dr. BALAJI DAKORE**
(M.Com., Ph.D.)

**Faculty of Commerce**

**Arts, Commerce and Science College, Shankar Nager Nanded**

**Affiliated to Swami Ramanand Teerth Marathwada University, Nanded.**

**INTRODUCTION:**

India's real estate sector has been one of the world's largest market. The unorganized sector being the dominant in the sector, there was a need of the transparent government body which need to monitor and regulate on the unorganized companies and forced them to come under the organized sector. The real estate industry has always been a dominant player and has contributed greatly to the country's economic prosperity. In the coming months, the expectations of the buyers and developers ought to rise as the sector has been the recipient of a lot of newly formulated government policies. Real estate sector as and when have seen the recession, there was no mechanism to check the credibility of the developer and have to rely on the market image of the developer. There was a trust gap between the developer and the buyer.

**Before RERA Act**

There was no specific redressal mechanism for the sector for delay in delivering and other related project issues and complaints. One of the major factors had always been trust. Buyers were always been in the fear that the developer will not give possession on time or he will not provide the required documents or he will not give the said quality of property. They were a fear that developer will fly-by-night. Developer were selling the property on super built up area and home buyers end up paying more and receive lesser usable space. Home buyers had to give booking amount to booked the apartment and rest of the payment in instalments without knowing where is there money being used, developer use the money to purchase new land rather than completing the existing project.

**REAL ESTATE REGULATORY ACT:**

The Government of India passed the Real Estate Regulation Authority (RERA) Act in March 2016 to ensure efficient and transparent business transactions in the real estate sector. The RERA act protects the interests of the builders, homebuyers, real estate brokers, and stakeholders of the real estate industry. The several reforms implemented by RERA have given the Indian real estate industry its first regulator. Mandatory for each state and union territory, understanding the rules and guidelines of RERA will help you sail through the otherwise complicated real estate business practices.For Long, the real estate sector was unregulated and in favor of builders and developers. From getting delayed possession to bearing a huge loss of project cancellation, all has to be borne by home buyers. Evening worse case after living in a society for a long period of 10-15 years, homeowners need to vacant the Society due to builder's mistake of not getting approval from government for the said project. And after all these, for any of these malpractices, if a home buyer files a complaint, it use to take years to get a verdict. However, now to bring transparency and accountability to this sector, Real Estate Regulatory Act, 2016 has come to force.

The Real Estate (Regulation and Development) Act, 2016, (RERA) is an act passed by the Indian parliament. The RERA seeks to protect the interests of home buyers and also boost investments in the real estate sector. While the Rajya Sabha passed the RERA bill on March 10, 2016, an approval from the Lok Sabha came on March 15, 2016. The act then came into force from May 1, 2016. While 59 of its 92 sectionswere notified on May 1, 2016, the remaining provisions came into force from May 1, 2017.

This aims to create a more equitable and fair transaction between sellers and buyers of properties. The Real Estate (Regulation and Development) Act is expected to ensure consumers will not be cheated or taken for aride by the developers. RERA, which is the Real Estate Regulatory Authority, was established under the Real Estate (Regulation and Development) Act, 2016, with the aim to regulate the real estate sector and address the issues faced by home buyers.

It has the following objectives:

- To protect the interest of the allottees and ensure their responsibility after RERA Bill
- To maintain transparency and reduce the chances of fraud
- To enhance the flow of correct information between the home buyers and the sellers
- To impose greater responsibilities on both the builders and the investors
- To enhance the reliability of the sector and thereby increase confidence amongst the investors

**MAHARERA:**

RERA makes it mandatory for all commercial and residential real estate projects where the land is over 500 square meters, or eight apartments, to register with the Real Estate Regulatory Authority (RERA) for launching a project, in order to provide greater transparency in project-marketing and execution. The builders or developers have to publish all the details such as sanctioned plan, layouts, the location of the project with clear demarcation of land, carpet area, number and area of garage, etc. So, with RERA builder have to get all the clearance before they could advertise or sell any property, it will help in malpractices to becurbed. Hence, before entering into the contract, you can check online on the website of RERA about every detail of the project by visit the RERA site of the concerned state and go into the registration tab. I have attached a screenshot of RERA Maharashtra. To get an idea about how RERA MAHARASHTRA REGISTRATION site looks like. Maharashtra Real Estate Regulatory Authority (Maha RERA) governs the real estate sector in Maharashtra. The act initiated by government where All the Real estate developers are permitted to advertise, book or sell any real estate after registration under MahaRERA. It enables the sector to become developed and organized. The Maharashtra Government established the Maharashtra Real Estate Regulatory

Authority, known as Maha RERA, through Notification No.23 under theReal Estate (Regulation and Development) Act 2016 for the promotion and regulation of the state's real estate sector. The RERA Maharashtra initiative will encourage the promotion and growth of a transparent, healthy, competitive, and efficient real estate sector. It will also work to safeguard the interests of promoters, buyers, and real estate agents.

**BACKGROUND OF THANE DISTRICT:**

Thane is the third most industrialized district in the State. The Thane-Belapur-Kalyan industrialbelt is the Centre of highly sophisticated modern industries. The industrial growth in the district, however, is concentrated in this industrial belt. The district can be divided into three distinct parts.The first is the area under direct influence of Mumbai metropolis. This area is more or less suburban to the metropolis and includes Thane, Kalyan and Ulhasnagar talukas where a numberof organized modern industries are concentrated. The second zone comprises the industrially developing areas of Vasai, Bhivandi, Palghar and Dahanu. The third part includes the rest of thearea of the district having conventional village industries, age-old cottage industries and primaryprocessing agro-industries. The total geographical area of the district is 934 thousands hectares which is 3.11% of the total geographical area of the State. There are 13 talukas i.e. Thane, Vasai,Palghar, Dahanu, Talasari, Jawhar, Mokhada, Wada, Bhiwandi, Shahapur, Murbad, Kalyan and Ulhasnagar in the district.

**NEED OF THE STUDY:**

This study is done to understand the Real estate sector and Impact of RERA act on Realty sector in Thane districts and also to suggest about how this act is helpful for homebuyers developer as well as Brokers. As we know Real estate sector plays a vital role in the capital market through FDI as well as major source of fund in the country. Before RERA act the scenario of the sector was very unorganized and underdeveloped .Indian real estate is one of the biggest and globally recognized sectors accounting for about 13 percent of its Gross Domestic Product (GDP). The sector's market size was expected to reach $1 trillion by the year 2030. As we know prior to RERA sector was unorganized and unregulated. Delay in Passion was the biggest challenge to the home buyer RERA Act leads Transference and accountability on the part of Developers. It leads Professionalism in the Realty sector at very larger extend

- To safeguard the interests of customers in the real estate sector
- To devise a method of resolving disputes quickly.
- To ensure the transparent and efficient sale of a building, plot, or apartment in the real estate sector.
- To establish an Appellate Tribunal to hear appeals from RERA directions, decisions,or orders.

**OBJECTIVES OF THE STUDY:**

1. To explore about the scenario of Real estate sector Before RERA Initiative.
2. To study about challenges Prior to RERA Act in Realty sector
3. To understand the progressions in Real Estate Market after RERA Act
4. To Explore the impact of RERA on Homebuyers and Developer

**HYPOTHESIS:**

H0- There is no significant relationship between Pre-Post RERA Act and Realty sector
H1- There is significant relationship between Pre-Post RERA Act and Realty sector.

H0- There is no significant relationship between Pre-Post RERA Act and Developer/Promoter.
H1- There is significant relationship between Pre-Post RERA Act and Developer/Promoter

H0- There is no significant relationship between Pre -Post RERA Act and Homebuyer.
H1- There is significant relationship between Pre-Post RERA Act and Homebuyer.

## RESEARCH METHODOLOGY AND DATA COLLECTION

- The data collection for this Research work will be both primary as well as secondary data. The primary data will be collected from a sample survey, interview and Questioners etc. A sample of 1000 respondents will be collected from research area. The secondary data will be collected from internal sources. It will be collected on the basis of different Government publications, government reports, RERA reports, official records, and data available on the official website.
- Various statistical tools such as measures of central tendency, percentile, and quartile will be used as per the need as well as implement ANOVA, SPSS, T-test etc. Diagram and charts will be used with the help of excel sheet.

## SCOPE OF THE STUDY

1) Periodical scope: The periodical scope of this research will be for before and After RERA Period.
2) Geographical area: The geographical scope of the study will be Maharashtra in general and Thane District in particular.
3) Operational scope: This will consider study of Real Estate sector, RERA Act and its Impact on Realty Sector with Reference to Promoter and Homebuyers.

## LIMITATION OF THE STUDY

The study is restricted to following points.

**OBJECTIVES:** The objectives stated for research study purpose only.

**RESEARCH METHODOLOGY:** The Research tools are restricted to Nature of study and purpose of study**.**

**CHAPTER SCHEME**

1) Introduction
2) Review of Literature
3) Research design and Research methodology
4) Real Estate sector in India and RERA Act Thane District- MahaRERA
5) Data Analysis and Interpretation
6) Findings ,conclusion and Suggestions

The above chapter scheme is tentative. It may change in the course of the study.

**(Mrs. Sujata J. Gada)** **(Dr. Balaji Dakore)**

Research Scholar Research Guide